

BEFORE THE ARIZONA CORPORAT.

Arizona Corporation Commission

WILLIAM A. MUNDELL

Chairman

JIM IRVIN Commissioner

MARC SPITZER

Commissioner

DOCKETED

SEP 2 0 2002

DOCKETED BY



IN THE MATTER OF THE JOINT APPLICATION) OF TUCSON ELECTRIC POWER COMPANY, AN ARIZONA CORPORATION, AND TRICO ELECTRIC COOPERATIVE, INC., AN ARIZONA) CORPORATION, FOR AN ORDER APPROVING) A BORDERLINE AGREEMENT

DOCKET NOS. E-01461A-02-0222 E-01933A-02-0222

DECISION NO.

65206

**ORDER** 

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10 Open Meeting

September 17 and 18, 2002

11 Phoenix, Arizona

12 BY THE COMMISSION:

FINDINGS OF FACT

- 1. On March 25, 2002, Trico Electric Power Cooperative ("Trico") and Tucson Electric Power Company ("TEP") filed a joint application that would allow Trico to serve property owned by United Community Health Center, Maria Auxiliadora ("Health Center") which is located within the certificated area of TEP.
- Both TEP and Trico are engaged in providing electric service within portions of Pima County, Arizona, pursuant to the authority granted by the Arizona Corporation Commission ("Commission").
- The Health Center property is located within TEP's certificated area. However, Trico 3. 22 has existing facilities along the southern boundary of the Health Center property.
- 4. On March 20, 2002, Trico and TEP entered into a Borderline Agreement whereby TEP 23 has authorized Trico to serve the Health Center property by an extension of Trico's facilities.
- 5. TEP's nearest existing facilities are located approximately 700 feet from the property. Per TEP's service tariff, the property owner would incur approximately \$9,000 in costs to extend the 26 27 TEP facilities to serve the property.

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In contrast, Trico's existing facilities are well within the 200-foot distance allowance per 6. 2 Trico's service tariff for three-phase power, as such the Health Center would be able to obtain service from Trico under standard service charges.

- Under the terms of the borderline agreement, TEP has reserved the right to provide 7. service to the Health Center property when TEP determines that it is economical to do so. In the event TEP elects to provide service, TEP will compensate Trico for any Trico facilities used to provide such service.
- On July 18, 2002, TEP, Trico and Health Center entered into a letter agreement to 8. memorialize the rates to be charged to the Health Center by Trico, and in the event TEP exercises its right to serve the property at a later date.
- Staff believes that the borderline agreement will allow the property owner to obtain 9. service at a lower cost, provide Trico with additional revenue, and provide TEP with the opportunity to serve the customer once the Company has installed adjacent facilities.

## **CONCLUSIONS OF LAW**

- TEP and Trico are public service corporations within the meaning of Article XV, Section 1.  $16\|2$ , of the Arizona Constitution.
  - The Commission has jurisdiction over TEP and Trico and the subject matter of the 2. application.
  - The Commission, having reviewed the application, the Borderline Agreement, and the 3. Staff Memorandum dated August 26, 2002, concludes that the Borderline Agreement is in the public interest and should be approved.

## **ORDER**

THEREFORE, IT IS ORDERED that the joint application of Tucson Electric Power Company 24 and Trico Cooperative, Inc. for approval of the Borderline Agreement to serve the United Community 25 Health Center, Maria Auxiliadora, an Arizona nonprofit corporation, is in the public interest and is 26 hereby approved.

65206

Decision No.

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Docket Nos. E-01461A-02-0222, et al

IT IS FURTHER ORDERED that Tucson Electric Power notify the Utilities Division at least 2 sixty days prior to providing service to the United Community Health Center, Maria Auxiliadora, an Arizona nonprofit corporation, property.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION		
Mellia Mm	ab Januar Sin	dy
CHAIRMAN	COMMISSIONER	COMMISSIONER
	N WITNESS WHEREOF, I, E Secretary of the Arizona Co	BRIAN C. McNEIL, Executive
	hereunto, set my hand and ca	nused the official seal of this
	Commission to be affixed at	the Capitol, in the City of
	Phoenix, this 20 711 day of	of <u>JEPT</u> , 2002.

**Executive Secretary** 

17 DISSENT: \_\_\_\_

EGJ:JEF:hml\LV

Decision No.

SERVICE LIST FOR: Tucson Electric Power Company and Trico Electric Cooperative, Inc. DOCKET NOS. E-01461A-02-0222 and E-01933A-02-0222 Mr. David Couture Director, Regulatory Affairs 4350 East Irvington Road 4 P.O. Box 711, Mail Stop OH 122 Tucson, Arizona 85702 Mr. Charles N. Emerson Manager of Technical Service 5100 West Ina Road P.O. Box 35970 Tucson, Arizona 85740 Mr. Ernest G. Johnson Director, Utilities Division Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007 11 Mr. Christopher C. Kempley 12 Chief Counsel Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007 15 16 17 18 19 20 21 22 23 24 25 26

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